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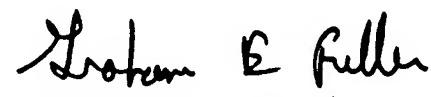
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National Intelligence Council

23 July 1985

NOTE TO: Director of Central Intelligence
FROM: Graham E. Fuller, NIO/NESA
SUBJECT: Ambassador Robert Neumann and the Peace Process

1. Bob Neumann has given me a copy of his latest thinking on how to proceed with the peace process. It comes in the form of a letter to Armacost with whom he has ongoing discussions.
2. I share with Bob a belief that some opportunities exist now in pursuing some kind of dialogue with the Palestinians--if they can bring themselves to do the necessary on 242, 338, and Israel's right to exist. We both also believe that the peace process represents one of the most strategic issues for American interests in the region--one to which the Soviets probably will devote major efforts to sidetrack. (A reconciliation between Israel and the USSR could be taken a more subtle and flexible Soviet approach.)
3. Bob would like to see you, if at all possible, before he departs for three weeks' leave on 6 August. Perhaps you could let him know if that would be convenient.



Graham E. Fuller

Attachment:
As Stated

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July 17, 1985

Honorable Michael Armacost
Undersecretary of State for Political Affairs
Department of State
Washington, D.C. 20520

My dear Mr. Secretary,

At the end of our most recent meeting on July 5th, you suggested that I put on paper my ideas about the strategy which our government might follow. I have now done so.

My work was interrupted by a brief period of hospitalization but I appear to be doing well now. I hope that the enclosed has not been overtaken by events - a constant danger for an outsider, no matter how well informed.

Perhaps the thoughts here developed might be taken up in a future meeting with you and, if appropriate, with Secretary Shultz.

With warm regards,

Robert G. Neumann
Former ambassador
Director, Middle East Program

Encl: as stated

P.S. The stationery is a matter of convenience. These are my personal ideas and reflect in no way those of CSIS which takes no positions.

RGN:mn

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~~SECRET//SENSITIVE~~MEMORANDUM

TO: Undersecretary Michael Armacost
FROM: Ambassador (ret.) Robert G. Neumann
SUBJECT: Suggested Strategy and Tactics for U.S. Policy in the Middle East

To maintain momentum in the peace process, the Jordanians and Palestinians require some encouragement, with due recognition of the Israeli government's precarious position. The Arab side has urged an international umbrella but I see no way in which we can accommodate that. Therefore the USG's focus has shifted correctly to the possibility of encouraging the formation of an acceptable Jordanian-Palestinian list.

First Step: The Jordanians-PLO have suggested that a joint delegation should visit Washington (and perhaps the other capitals of the Permanent Members of the UN Security Council). They have underlined that the function of such a delegation would be to explain their positions rather than to negotiate. (Negotiations would of course have to include the Israelis.)

I suggest the following: 1.) If a list acceptable to the USG emerges from discussions now under way, the USG should encourage a meeting in Washington rather than in the area because of the higher degree of encouragement to the Jordanian/Palestinian side.

2.) If the GOI opposes this because of the composition of the delegation and/or the location of the meeting, or for the fact that it would be an Arab-American and not an Arab-Israeli meeting, that should not prevent this initiative because:

(a) the GOI as presently constituted cannot negotiate nor even meet with any feasible Jordanian-Palestinian delegation; to allow it to veto the meeting suggested above would bring all such initiatives to a complete halt and stop momentum;
(b) in order to increase US credibility with the Arabs, it is useful if USG positions are not seen as identical with those of the GOI. This is not to suggest that our relations with Israel should not be close and intimate. But a little light between the two, from time to time, would be beneficial;
(c) I do not believe such an act would undermine Prime Minister Peres but rather that it would actually strengthen his hand. It would demonstrate that the USG will not be deterred from pursuing President Reagan's "territory for peace" formula. US positions play a significant role in Israeli politics especially if new Israeli elections were to turn on the peace process - as they well may. This should be frankly and very discreetly discussed with Prime Minister Peres but not with Foreign Minister Shamir or other Israeli officials.

3.) I believe the time has come to increase our credibility among the Arabs through the establishment of direct but strictly unofficial (yet authoritative) lines to the PLO within existing policy and legal guidelines of the USG. This has been discussed orally and further meetings might be in order.

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It is fully recognized that King Hussein's dominant role on the Arab side should in no way be undermined. But it is also a fact that the PLO does not trust any Arab government very much including that of Jordan, and that our views are not always presented in the most useful way by Arab interlocutors. Admittedly the implementation of this idea will be difficult and delicate but it should not be impossible. Further, the greater urgency for negotiations felt by the PLO should avoid that Arafat would react to such contact by once again hardening his line or otherwise slipping off the reservation. In the process of setting up the above-mentioned contacts, it might be well to signal that in the event of such slippage, contacts would immediately be broken off.

The USG should recognize that the Palestinian issue is one of nationalism as well as territory; if only West Bankers and no members of the Palestinian diaspora were to be included in the joint Jordanian/Palestinian delegation, representative Palestinian consent could not be obtained from either the West Bank or the diaspora.

Second Step: At this stage, intensive and sustained American diplomacy aided by Egypt will be required to soften up the Jordanian-Palestinian line, in order to produce further changes in Arab positions and delegations destined to make possible eventual direct negotiations with Israel, or at least sufficiently imminent to permit the USG to say to Israel that now a realistic chance for peace exists which Israel cannot afford to ignore. It must be anticipated that the GOI will split over this issue, unless that has happened previously.

On the "peace for territory" issue, significant support from the American Jewish community is attainable, as its majority has never been comfortable with Likud's negative stand. In Israel too, public opinion shows overall progress (cf. Gloria Falk, "Israeli Public Opinion: Looking Toward a Palestinian Solution," in The Middle East Journal, Summer 1985, pp. 247-269). But on the other hand there is the well-known reluctance within the American Jewish community to show disunity in public or to discuss publicly the issues which they discuss among themselves and which are discussed openly and freely in Israel, in the non-Jewish media.

For the USG this means that, as the possibility of peace comes closer, the battle must be engaged within Israel's public opinion and within that of the American Jewish community. At that stage, when Israel approaches an election in which Peres's survival depends on the peace issue, he can conceivably become an ally if approached very discreetly and very politically.

But for anybody to support US policy, there has to be assurance that the USG will hold a steady course in its political, conventional and public diplomacy, even when the going becomes quite rough, as it surely will.

Third Step: Syria is certain to oppose the Jordanian-Palestinian peace formula by all means at its disposal, including terrorism and assassination. But the USG should not allow this to discourage us from holding the door constantly and demonstrably open, even if Syria refuses to walk through. U.S. refusal to accept the annexation by Israel of the Golan Heights will be necessary as well as reiteration of the demand that Golan be the subject of eventual peace negotiations. This effort must continue even if Syria acts viciously.

Syria may in fact heat up the scene by taking menacing steps against Jordan. To demonstrate firm US backing for Jordan, the USG should consider reviving the World War II procedure for lend-lease of equipment to Jordan should that become necessary, transferable military equipment should be identified, and such other physical and legal preparation be made for a possible rapid transfer in the event of the situation approaching dangerous proportions.

I remain firmly convinced, as I stated in our recent meeting, that Syria will not join the peace process unless and until it becomes convinced that it cannot stop it. Since I expressed these thoughts to you, I have learned that King Fahd has quite recently voiced the same view to former French Minister of State, Jean de Lipkowski.

The Soviet attitude may also be expected closely to parallel that of Syria. However, the Soviets are well aware of the possibility that Assad's policy of "no negotiations with Israel until the Arabs (Syria) have achieved strategic balance" holds dangerous possibilities of Syrian-Israeli conflicts followed by a superpower confrontation. To what extent this Soviet apprehension could play a constructive role would depend in large measure on the evolution of US-USSR global relations, and might be less influenced by regional concerns on the part of the Soviets.

Fourth Step: The Soviet Union will remain opposed to this peace process for the time being. In strictly Middle East terms, it is difficult to see what the USSR would gain from a Middle Eastern peace; it would only become less essential to its clients. However, the Middle East perceptions of Gorbachev are not known and have probably not yet evolved. Still, in global terms the USSR may eventually see that becoming more cooperative is in its interest in order to improve its global bargaining position. US diplomacy should maintain an intensive dialogue with the USSR through official and unofficial (I.E. Dartmouth Talks) channels. It should be made clear to the Soviets that a price has to be paid if it wishes to become a full partner and that an important ingredient is the normalization of its diplomatic relations with Israel.

As in the case of Syria, a more useful Soviet attitude can probably not be expected until the USSR becomes convinced that the peace process is going forward and is making progress.

Fifth Step: The actual peace negotiations.

"The Israelis and Arabs are locked in a dance of mutual distrust, each convinced that a step forward by one means a step back for the other - a 'zero-sum game' mentality. And each is waiting for the other to demonstrate a genuine commitment to peace." (Gloria Falk)

To break this lock is the indispensable task of American diplomacy. No one else can do it.

One feature of this exceedingly complex strategy is the fact that both sides will want to know the outcome of negotiations before taking the considerable risk of engaging themselves therein. This can be accommodated to only a limited degree. The USG must resist going beyond it, lest its essential objective of bringing about direct Arab-Israeli negotiations be undermined.

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Certain benchmarks are, however, attainable and necessary. Arabs and Israelis must come to the conclusion that substantial territorial revisions are necessary and that, at the proper time, the USG will place its full weight behind them.

Arabs and Israelis must accept the proposition that Israel's acceptance and eventual recognition as a sovereign state is inevitable and is the predictable outcome if not precondition of successful negotiations.

Both sides will gradually have to be brought to the recognition that painful compromises will be necessary, that a simple rollback to the 1967 frontiers is no longer possible, and that difficult adjustments have to be made for the future status of Jerusalem in which the city cannot again be divided.

Numerous formulas are available and conceivable once negotiations take on some momentum.

Sixth Step: A further objective of negotiations should also be to combine the separation of occupied territories from Israeli rule with the initial forging of ties between Israel and its Arab neighbors, especially the Jordanian-Palestinian confederation. This might begin with bilateral technical bodies to serve common interests and exchange information regarding water, weather, insect control, epidemic control, etc. The objective would not only be to serve the technical ends indicated, but also to create gradually habits of Arab-Israeli cooperation which, in time to come, could lower the barriers of mutual suspicion and distrust.

End Note: You raised the question whether territorial revisions are still possible. They are - because only 42,000 Israeli settlers live in those formidable-looking apartment-fortresses, and the hoped-for (by Likud) flood of American Jews into the occupied regions has not occurred and will not occur.

That there will be bitter resistance cannot be doubted. That Israel's people will be churned to the core by this debate is certain. And that both sides will seek support in America is certain. But, as Ben Gurion remarked to me well over twenty years ago (commenting on Menachem Begin's aspirations), "Israel, in order to fulfill its mission, must be two things, a Jewish state and a democratic state." This remains the core issue today and has split the Zionist movement since its inception.

These fundamental issues aside, skillful negotiations have a chance of lessening the blow by such means as: not requiring the destruction of or Israeli withdrawal from all settlements; creating options- in contrast to Anwar Sadat's insistence on the abandonment of Yamit, which Sharon then worsened by physically destroying it; considering personal rather than territorial status (well known in the region); forms of demilitarization; utilization of Peres's distinction between national and security frontiers; and many other ideas which seem premature now.

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